

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF THE APPLICATION OF )          CUSTER TELEPHONE CO-OP INC. FOR AN )          INVESTMENT TAX CREDIT FOR )          INSTALLING QUALIFIED BROADBAND )          EQUIPMENT )</b>	<b>CASE NO. CUS-T-05-1           ORDER NO. 29848</b>
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On July 29, 2005, Custer Telephone Co-op Inc. filed an Application requesting that the Commission find the Company eligible to receive an Idaho Investment Tax Credit. Pursuant to *Idaho Code* § 63-3029I, an Idaho taxpayer may receive a tax credit for installing “qualified broadband equipment” in Idaho. To be eligible for the tax credit, the taxpayer must obtain an Order from the Commission confirming that the equipment has been installed and that it meets the definition of qualified broadband equipment set out in *Idaho Code* § 63-3029I(3)(b).

### THE APPLICATION

Custer’s Application states that it has installed central office equipment and fiber and copper cables to provide DSL service to Idaho customers. The Company asserts that this equipment transmits data at speeds of 128K and 512K bits per second for uploads from customers, and 512K and 1.5M bits per second for downloads to customers. The Company further asserts that the equipment is necessary and integral to its broadband network.

The Application identified nearly \$500,000 of investment in 2004. The Company claims that 100% of this investment will be used to provide service to Idaho customers.

### STAFF REVIEW

To implement its responsibilities under *Idaho Code* § 63-3029I, the Commission issued Procedural Order No. 28784 in July 2001. The Order identifies information that must be included in an Application for broadband credit. Once the information has been filed, the Commission Staff reviews the Application and submits a recommendation to the Commission.

In order to qualify for the tax credit, the broadband equipment must be capable of transmitting signals at a rate of at least 200,000 bits per second (bps) to a subscriber and at least 125,000 bps from a subscriber. In the case of a telecommunications provider, the qualified broadband equipment must also “be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i).

Staff reviewed the list of proposed broadband equipment submitted by Custer and determined that the identified equipment meets the statutory standards. Staff also determined that Custer is a telecommunications provider and the equipment is “necessary for the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). Therefore, Staff recommended that the Commission issue an Order approving Custer’s Application and forward the Order with a copy of the original Application to the Idaho Tax Commission.

### **COMMISSION FINDINGS**

Based on our review of the Application and Staff recommendations, we find that the Application for a qualifying broadband equipment Order should be granted. Custer has adequately demonstrated that it has installed qualifying broadband equipment identified in its Application in conformance with the requirements set forth in *Idaho Code* § 63-3029I. We further find that Custer is a telecommunications carrier and, as configured, the installed equipment is an integral part of a broadband network necessary to deliver broadband services to Idaho customers. *Idaho Code* § 63-3029I(3)(b)(i). It is therefore appropriate for the Commission to issue this Order confirming that Custer has installed broadband equipment as a precondition to seeking an Idaho broadband tax credit.

### **ORDER**

IT IS HEREBY ORDERED that Custer Telephone Co-op Inc.’s Application for an Order certifying it has installed qualifying broadband equipment is granted.


IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served upon the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* §§ 61-626, 63-3029I(4).

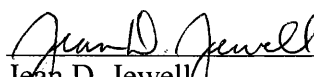
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23<sup>rd</sup>  
day of August 2005.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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